



Department of Energy

**Environmental Management
Consolidated Business Center
250 East 5th Street, Suite 500
Cincinnati, Ohio 45202
(513) 246-0500**

August 15, 2006

Dear Interested Buyers,

EMCBC-00805-06

**SALE OF NATURAL URANIUM AS URANIUM HEXAFLUORIDE (UF₆),
AMENDMENT 1**

This letter transmits Amendment 1 to Request for Proposal (RFP) DE-SC30-06CC00012 originally issued on August 14, 2006.

This letter is not an integral part of the RFP. In the event of any conflict between this letter and the RFP, the RFP will prevail. To be responsive to the RFP, interested Buyers shall submit a signed copy of the enclosed Standard Form 30 "Amendment of Solicitation" (cover sheet only) along with the proposal. This Amendment 1 is also posted on the Industry Interactive Procurement System (IIPS).

Proposals are due no later than 3:00 p.m. Eastern Daylight Time, August 28, 2006.

Please contact only me at 513-246-0586 or Wilmari Delgado, at 513-246-0566 if further information on this sale is required.

Sincerely,

A handwritten signature in black ink, appearing to read "Harold D. Hincks", is written over a horizontal line.

Harold D. Hincks
Contracting Officer

Enclosures: Amendment 1

| | | | | | | | |
|---|---|---|--|--|--|--------------------------------|--|
| AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT | | | | 1. CONTRACT ID CODE | | PAGE OF PAGES 1 2 | |
| 2. AMENDMENT/MODIFICATION NO. <div style="text-align: right;">0001</div> | | 3. EFFECTIVE DATE 15 August 2006 | | 4. REQUISITION/PURCHASE REQ. NO. | | 5. PROJECT NO. (If applicable) | |
| 6. ISSUED BY U.S. Department of Energy Environmental Management Consolidated Business Center 250 East 5th Street, Suite 500 Cincinnati, OH 45202 | | 7. ADMINISTERED BY (If other than Item 6) | | CODE | | | |
| 8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) | | | | (X) | 9A. AMENDMENT OF SOLICITATION NO. DE-SC30-06CC00012 | | |
| | | | | X | 9B. DATED (SEE ITEM 11) 14 August 2006 | | |
| | | | | | 10A. MODIFICATION OF CONTRACT/ORDER NO. | | |
| | | | | | 10B. DATED (SEE ITEM 11) | | |
| CODE | | FACILITY CODE | | | | | |
| 11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS | | | | | | | |
| <input checked="" type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input checked="" type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing items 8 and 15, and returning <u>1</u> copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment your desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified. | | | | | | | |
| 12. ACCOUNTING AND APPROPRIATION DATA (If required) | | | | | | | |
| 13. THIS ITEM ONLY APPLIES TO MODIFICATION OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14. | | | | | | | |
| CHECK ONE | A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A. | | | | | | |
| | B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b). | | | | | | |
| | C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: | | | | | | |
| | D. OTHER (Specify type of modification and authority) | | | | | | |
| E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input type="checkbox"/> is required to sign this document and return _____ copies to the issuing office. | | | | | | | |
| 14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) See Page 2 | | | | | | | |
| 15A. NAME AND TITLE OF SIGNER (Type or print) | | | | 16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) | | | |
| | | | | Harold D. Hincks, Contracting Officer | | | |
| 15B. CONTRACTOR/OFFEROR | | 15C. DATE SIGNED | | 16B. UNITED STATES OF AMERICA | | 16C. DATE SIGNED | |
| (Signature of person authorized to sign) | | | | (Signature of Contracting Officer) | | | |

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.

The purpose of this Amendment is to clarify the origin of the UF₆ being delivered, incorporate the ability for the Buyer to return the empty ANSI N14.1 compliant 48" diameter cylinders to the DOE, and to clarify the point the material being delivered includes both the UF₆ and the ANSI N14.1 compliant 48" diameter cylinders. As a result, the following changes are hereby incorporated to the Request For Proposal:

ARTICLE I. DEFINITIONS

The following statement is hereby added:

"UF₆ " for purpose of this Sales Agreement includes the Uranium Hexafluoride and the containment cylinders.

ARTICLE XI. MATERIAL DELIVERED

Paragraph C is added as follows:

The UF₆ is not the result of any circumvention or other violation of the Suspension Agreement dated October 16, 1992, as amended, between the United States and the Russian Federation.

The following Article is incorporated:

ARTICLE XXIV. RETURN OF CONTAINMENT CYLINDERS

At Buyer's option and sole expense, Buyer may return the containment cylinders to the Seller at the GDP, and Seller will accept title and possession of such cylinders upon Seller's receipt of the cylinders at the GDP; provided that any such cylinders are (a) in the same condition as they were when the cylinders were delivered to Buyer (except for normal wear and tear consistent with customary industry usage and storage of like cylinders), (b) are free of any liens or encumbrances, and (c) either contain less than 50 lbs UF₆ residual or have been washed and cleaned to industry standards; and provided further that Buyer does not charge Seller for the value, if any, of the cylinders. The Buyer shall notify the Contracting Officer 90 days prior to any such return of the Buyer's intent to return the cylinders. The buyer shall have no right to damages and/or adjustment of offset to the purchase price as the result of the Seller not accepting the return of the cylinders. Seller, in its sole discretion, may extend the option period beyond five years.

As a result of the above changes, the attached "slip" pages (pages 8, 15, 20) replace the same numbered pages in the Request For Proposal. These pages will be incorporated to the Sales Agreement.

This **SALES AGREEMENT** is between The Department of Energy (DOE) (the "Seller") and the party identified on the signature page of this Sales Agreement (the "Buyer"). In accordance with Section 314 of the 2006 Energy and Water Development Appropriations Act, the Seller offers for sale up to 700 metric tons, Natural Uranium Hexafluoride, UF₆, contained in American National Standards Institute (ANSI) N14.1 compliant 48" diameter cylinders. The Uranium Hexafluoride has an approximate enrichment of 0.711% (see Article XI). The UF₆ is of an obligation code legal for use in the United States at the time of delivery.

The parties to this Sales Agreement are legally bound as of the date the Sales Agreement is executed/signed by the Contracting Officer and provided to the Buyer.

ARTICLE I. DEFINITIONS

"GDP" or "Gaseous Diffusion Plant" means the enrichment plants at Portsmouth, Ohio and Paducah, Kentucky. These plants are owned by the DOE.

"UF₆ " for purpose of this Sales Agreement includes the Uranium Hexafluoride and the containment cylinders.

ARTICLE II. BUYER'S AGENT

A Buyer's agent, under this Sales Agreement acts solely or partly on behalf of the Buyer. The Buyer shall provide sufficient information to prove that the agent is qualified to perform in accordance with the terms and conditions of this Sales Agreement. The Buyer's Agent may perform or satisfy any of the terms and conditions of this Sales Agreement on behalf of the Buyer, at the discretion or direction of the Buyer.

ARTICLE III. TERM OF AGREEMENT

The term of this agreement shall begin the day it is executed and will continue until all obligations of the Seller and Buyer under this agreement have been fulfilled.

ARTICLE IV. QUANTITY AND SCHEDULE

Seller shall sell, and Buyer shall accept and pay for uranium in quantities in accordance with the terms and conditions of this Sales Agreement.

7. strikes,
8. freight embargoes, and
9. unusually severe weather.

In each instance, the failure to perform must be beyond the control and without the fault or negligence of the Buyer. "Default" includes failure to make progress in the work so as to endanger performance.

B. If the failure to perform is caused by the failure of a subcontractor at any tier to perform or make progress, and if the cause of the failure was beyond the control of both the Buyer and subcontractor, and without the fault or negligence of either, the Buyer shall not be deemed to be in default, unless --

1. The subcontracted services were obtainable from other sources;
2. The CO ordered the Buyer in writing to purchase these services from the other source; and
3. The Buyer failed to comply reasonably with this order.

C. Upon request of the Buyer, the CO shall ascertain the facts and extent of the failure. If the CO determines that any failure to perform results from one or more of the causes above, the delivery schedule shall be revised, subject to the rights of the Government under the termination clause of this contract.

ARTICLE XI. MATERIAL DELIVERED

- A. Uranium delivered under this agreement will meet ASTM C787-03e2 Standard Specification for Uranium Hexafluoride for Enrichment, for commercial grade UF₆.
- B. Buyer represents to Seller that all material transferred hereunder will be used in accordance with all applicable laws and regulations.
- C. The UF₆ is not the result of any circumvention or other violation of the Suspension Agreement dated October 16, 1992, as amended, between the United States and the Russian Federation.

ARTICLE XXII. AGREEMENT EXECUTION DOCUMENTS

The Agreement Execution Documents at Attachment 2 are hereby incorporated by reference.

ARTICLE XXIII. ENTIRE AGREEMENT

This Sales Agreement contains the entire agreement between the parties and supersedes all other prior negotiations, undertakings, notes, memoranda, and agreements, whether written or oral, concerning the subject matter.

ARTICLE XXIV. RETURN OF CONTAINMENT CYLINDERS

At Buyer's option and sole expense, Buyer may return the containment cylinders to the Seller at the GDP, and Seller will accept title and possession of such cylinders upon Seller's receipt of the cylinders at the GDP; provided that any such cylinders are (a) in the same condition as they were when the cylinders were delivered to Buyer (except for normal wear and tear consistent with customary industry usage and storage of like cylinders), (b) are free of any liens or encumbrances, and (c) either contain less than 50 lbs UF₆ residual or have been washed and cleaned to industry standards; and provided further that Buyer does not charge Seller for the value, if any, of the cylinders. The Buyer shall notify the Contracting Officer 90 days prior to any such return of the Buyer's intent to return the cylinders. The buyer shall have no right to damages and/or adjustment of offset to the purchase price as the result of the Seller not accepting the return of the cylinders. Seller, in its sole discretion, may extend the option period beyond five years.